



# City of Boulder

Economic Update  
January 13, 2015

# Agenda

- ▶ Wrapping up 2014
  - ▶ Status of budget
  - ▶ Sales and Use Tax Collections
- ▶ 2015 and Looking Forward
  - ▶ Headwinds
  - ▶ Tailwinds
- ▶ Comprehensive Financial Strategy Update

# Wrapping Up 2014

- ▶ With what is known at this time the city should meet the revenue projections
- ▶ Preliminary Indications - expenditures within budget

# Headwinds

- ▶ Housing costs – larger percentage of income is going to rental payments
- ▶ Slowing international economy
- ▶ Markets indicating interest rates will rise in 2015
- ▶ Security breaches (a wildcard to watch)

# Tailwinds

- ▶ Boulder has lower than state and national unemployment rate
- ▶ Declining oil prices
- ▶ Retail spending up
- ▶ Economy best six month stretch since 2003

# Sales/Use Tax Revenue Information

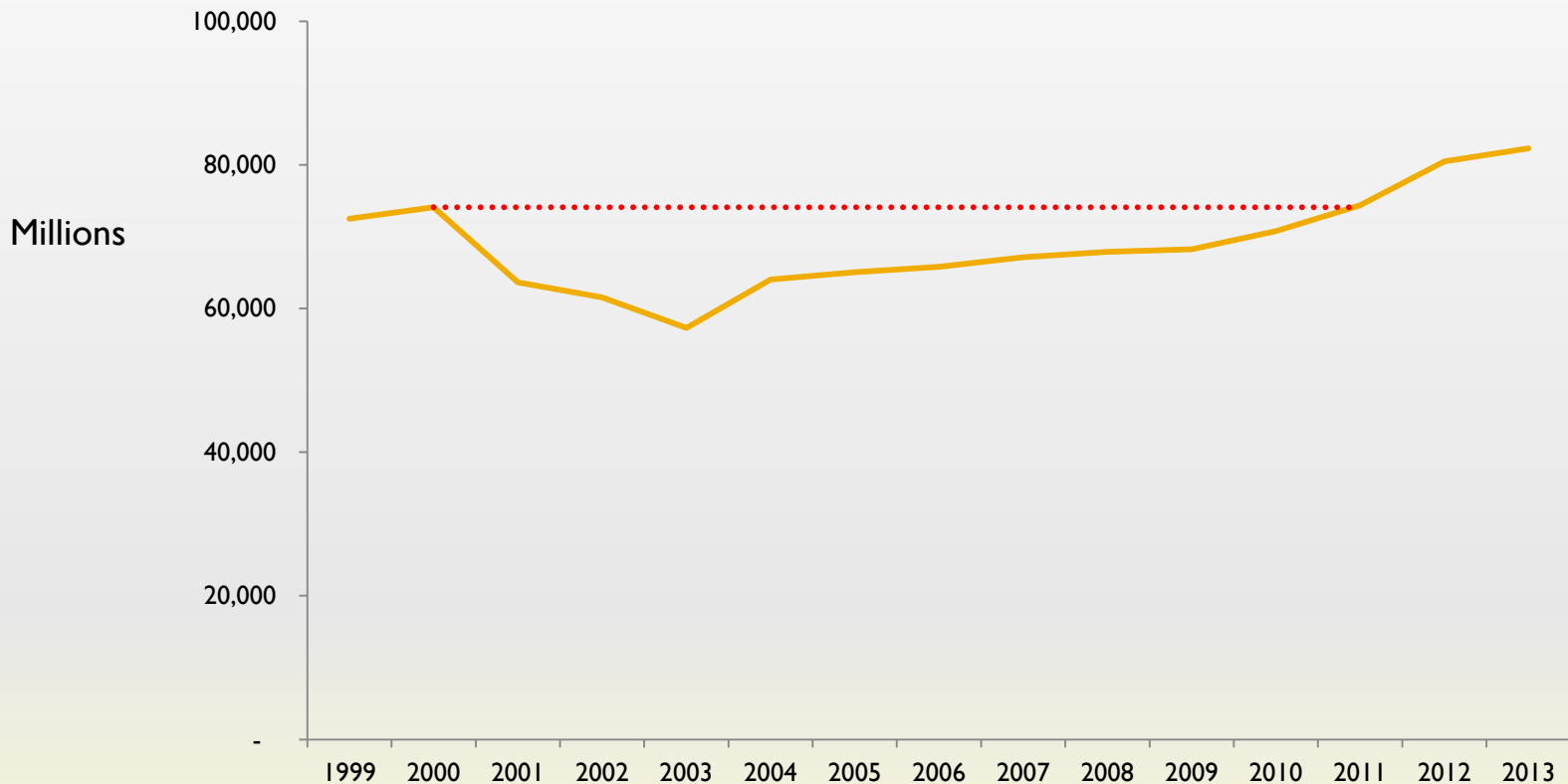
|   | 2014<br>Revised | 2014<br>YTD  | 2015<br>Projected |
|---|-----------------|--------------|-------------------|
| <b>City of Boulder Sales/Use Tax w/o RMJ</b>                                  | <b>3.11%</b>    | <b>6.50%</b> | <b>3.13%</b>      |
| <b>COB Retail Sales Tax W/o RMJ</b>   | <b>4.25%</b>    | <b>5.52%</b> | <b>4.25%</b>      |
|   |                 |              |                   |
| <b>City of Boulder Sales/Use Tax (including Recreational Marijuana (RMJ))</b> |                 | <b>7.75%</b> |                   |
| <b>COB Retail Sales Tax (including RMJ)</b>                                   |                 | <b>7.09%</b> |                   |

# Comprehensive Financial Strategy

- ▶ The Update of the BRC work and the GAP
- ▶ Original goal was to do so every five years
  - ▶ Workload and Flood work delayed update
- ▶ Major differences in the two methodologies
- ▶ The update is wrapping up and will come to council within the next couple of months.

# Actual Dollars Did Not Recover Until 2011

From 2000 to 2004 a 17% decline in General Fund Revenue





**Are there any questions regarding the financial and economic items?**